Implementation of sanctioned scheme for SSPL

3373. SHRI NILOTPAL BASU: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether in a review meeting of sanctioned scheme for Smith Stanistreet Pharmaceuticals Ltd. (SSPL) in May, 1995, slippage in implementation of scheme was found due to the failure of IDBI and IOB and a show-cause notice was issued by BIFR to these banks;

(b) whether IRBI, now named IIBI, as Operating Agency has now sent another report indicating SSPL as non-viable;

(c) whether Management and Unions have sent a revival scheme involving much less sacrifices and concession to Government in May, 1998 for consideration; and

(d) in view of (a) above, whether Government would consider Management's proposal before taking any decision; if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL): (a) BIFR in a hearing held on 26.5.1995 to review the sanctioned scheme for SSPL, passed orders directing issue of show-cause notice to Chairman, IRBI (now IIBI) and Chairman, IOB. IRBI (now IIBI) filed an appeal against the orders dated 26.5.1995 of BIFR. The Appellate Authority for Industrial and Financial Reconstruction (AAIFR) through their Orders dated 17.4.1996 set aside the orders of BIFR qua the appellants.

(b) Yes, Sir.

(c) Yes, Sir.

(d) Yes, Sir.

Proposal for out of court settlement from M/s Karsan Ltd.

3374. SHRI S.M. KRISHNA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have received any proposal for out of court settlement from M/s Karsan Limited;

(b) if so, the details thereof and the action taken by Government thereon;

(c) the details of the claims filed in International Court of Arbitration, Paris?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL): (a) Yes, Sir.

(b) The implications of a proposal for out of court settlement received from the counsel of M/s Karsan Limited are being studied. The earlier proposals made on behalf of M/s Karsan Ltd. have been rejected.

(c) National Fertilizers Limited has filed claims in the International Court of Arbitration, Paris for recovery of US $ 37,620,000.00 along with damages.

Reduction of customs duty on Caprolactum

3375. SHRI O. RAJAGOPAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Ministry has received any representations from Government of Kerala or the employees of FACT or the public regarding the adverse impact of reducing the customs duty on Caprolactum; and

(b) whether Government are aware of the possibility of closing down of FACT factory; if so, what steps the Government propose to take to protect the factory i.e. FACT Cochin?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL): (a) No such representations are available on the records of the Ministry.

(b) This eventuality is not being visualised for the present.